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1986 B/PAA SALARY/JOB SURVEY

B/PAA Business/Professional Advertising Association

205 East 42nd Street New York, NY 10017

Non-member price: $10.00

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INTRODUCTION

As a continuing service to our members and the industry, B/PAA is pleased to present the findings of the 1986 Salary/Job Survey. This study, conducted since 1968, continues to track progress made by our advertiser, agency and publisher members.

Currently, the median base salary of all our members is $43,700. This figure, which excludes additional compensation (bonus, commission, etc.), remains considerably above national averages for all workers and higher than most other white collar jobs.

We were also able to track our CBC (Certified Business Communicator) designation as it applies to salaries. It was found that those who hold the CBC designation make more money than their counterparts within the company, agency and publishing fields.

Generally speaking, advertiser members working with larger budgets are better compensated. Specialized business publications continue to get the lion's share of expenditures by advertisers (34%).

We're hopeful you'll find the following information on salary/job data of interest and value to you and your organization. We sincerely thank the more than 1000 individuals who took the time to assist us in obtaining the input for this survey.

Very truly yours,

Ronald L. Coleman

Ronald L. Coleman, CBC
B/PAA Managing Director

METHODOLOGY

In March, 1986, B/PAA mailed a questionnaire to 4185 members. This represented all personnel within membership categories of advertisers, agencies, and publications.

Number mailed	4185	100%
Number or returns	1309	31%

Total returns reached 1379, including 70 received too late for tabulation or with insufficient information for analysis.

	Mailed	Returned	Response %
Advertisers	1455	501	34%
Agencies	1279	384	30%
Publications	1104	296	27%
Total*	3838	1181	N.A.

*In addition, there were 128 respondents with other types of companies or who did not indicate their company affiliation, thereby bringing the total number of returns to 1309. The mailing included 347 suppliers and unidentified members.

Returned questionnaires were edited, coded, and analyzed by Business Marketing Research of Eastchester, New York. The data were then keypunched, cleaned for keypunch or logic errors, and tabulated by computer.

TABLE 1

BASE SALARY
—Medians—

	THOUSANDS				% Increase	
	1986	1984	1982	1968	1984 1986	1982 1984
Total BPAA	$43.7	$40.1	$37.9	$15.2	9%	6%
Advertisers	42.1	38.5	35.6	18.7	9%	8%
Agencies	44.9	41.6	40.5	17.7	8%	3%
Publications	48.1	42.5	39.2	17.8	13%	8%

Observations: Salaries have gone up in the past two years, with publication members showing the largest increase.

TABLE 2

SALARY BY JOB DESIGNATION

	MEAN AVERAGE	MEAN AVERAGE BY TITLES
Advertisers	$45.2*	
Marketing		$45.2
Advtg. Comm's		$45.9
Agencies	$50.2	
Pres./Owner/Partner		$61.8
Acct. Mgt.		$44.4
Media Buyers/Directors		$34.7
Publications	$55.2	
Publishers		$78.9
Sales Mgrs./Advtg. Directors		$63.8
Sales Reps./Regional Mgrs.		$50.3

*Does not fall between the two components (marketing & advertising communications) as this total includes others with neither marketing nor advertising/communication titles.

TABLE 3

MEDIAN SALARIES BY GEOGRAPHIC AREAS

	1986	1984	1982	1968	% Increase 1984 1986	% Increase 1982 1984
New England	$45.4	$40.1	$39.0	$15.7	13%	3%
Middle Atlantic	44.2	42.0	40.6	15.5	5%	3%
South Atlantic	38.2	39.1	35.7	15.6	3%	10%
East No. Central	43.7	35.8	37.9	15.3	22%	-6%
East So. Central	*	*	30.0	*	*	*
West No. Central	43.1	38.8	35.7	13.6	11%	9%
West So. Central	39.7	37.7	36.8	14.6	5%	2%
Mountain	41.2	41.9	33.6	14.7	-2%	*
Pacific	44.8	41.7	36.4	14.3	7%	15%
Canada	45.5	41.0	34.4	14.7	11%	19%

*Response too small to compute median or gain.

Geographic Areas
New England—ME, NH, VT, MA, RI, CT
Middle Atlantic—NY, NJ, PA
South Atlantic—DE, MD, DC, VA, WV, NC, SC, GA, FL
East No. Central—OH, IN, IL, MI, WI
East So. Central—KY, TN, AL, MS
West No. Central—MN, IA, MO, ND, SD, NE, KS
West So. Central—AR, LA, OK, TX
Mountain—MT, ID, WY, CO, NM, AZ, UT, NV
Pacific—AK, WA, OR, CA, HI
Canada—All provinces

Observations: The Middle Atlantic region has slipped to 4th place from first place in 1984. The East North Central has bounced back from its 6% decline two years ago. The Mountain states showed a loss, reflecting the collapse of the energy boom in the early part of this decade.

TABLE 4

ADDITIONAL COMPENSATION

	Advertisers		Agencies		Publications	
	1986	1984	1986	1984	1986	1984
Receives additional compensation	51%	49%	75%	76%	79%	74%
Median	**$3.1M**	**$3.7M**	**$5.6M**	**$8.2M**	**$15.4M**	**$13.6M**
No additional compensation	49%	51%	23%	22%	17%	21%
No Answer	*	*	2%	2%	4%	5%

*Less than ½ of 1%, some do not total 100% due to rounding

Observations: Publication members are most likely to receive bonuses and they receive, on average, the largest bonuses. (It should also be noted that publication members are also, on average the oldest group.)

TABLE 5

SALARY BY AGE
—Medians—

	THOUSANDS				% Increase	
					1984	1982
	1986	1984	1982	1968	1986	1984
Under 30	$26.9	$26.3	$25.0	$11.2	2%	5%
30-39	40.7	35.7	34.1	14.4	14%	5%
40-49	48.5	46.1	42.7	17.1	5%	8%
50 & Over	53.5	47.1	42.8	18.3	14%	10%

Observations: As would be expected, older and presumably more experienced members command higher salaries. In addition, in the past two years this group has had greater increases. Entry salaries—those of members under 30—appear to have fallen behind inflation.

TABLE 6

SALARY BY CBC CERTIFICATION
—Medians—

	THOUSANDS		
	Advertiser	Agency	Publisher
Has CBC	$46.4	$48.5	$54.3
Does Not Have CBC	40.1	43.3	47.2

TABLE 7

CBC CERTIFICATION BY AGE

	50 & Over	40-49	30-39	Under 30
Has CBC	45%	26%	20%	12%
Does Not Have CBC	55%	74%	80%	88%

Observations: The dramatic income advantage of those with CBC certification is reduced when analyzed by age. As people move into older age brackets they are more likely to have larger incomes and they are more likely to have attained CBC certification. However, although not as dramatic when age is considered, there is an edge in income for those with a CBC.

TABLE 8

MEMBERS AGE
—Mean Average—

	1986	1984	1982	1968
Total	42	41	43	42
Advertisers	42	39	43	41
Agencies	42	41	44	43
Publications	44	42	43	42

TABLE 9

YEARS WITH PRESENT COMPANY
—Medians—

	1986	1984	1982	1968
Total	5.9	6.0	6.6	5.8
Advertisers	6.7	6.5	7.1	6.3
Agencies	4.0	5.6	5.8	6.0
Publications	6.0	5.9	6.6	5.8

Observations: The current membership is slightly older than two years ago, but younger than four years ago. Except for the agency members, they have spent slightly more time with their current employers.

TABLE 10

MEDIAN SALARIES (ADVERTISERS) BY SIZE
OF COMPANIES' ADVERTISING EXPENDITURES

	Number and Percent of total		Base Salary THOUSANDS	
			1986	1984
$3,000,000 and over	60	15%	$59.3	$49.5
$1,000,000 to $2,999,999	99	25%	44.0	43.0
$500,000 to $999,999	96	24%	42.1	36.6
Up to $500,000	137	35%	37.4	33.3
TOTAL/BASE	392	*		$38.5

*Does not equal 100% due to rounding.

Observations: The major increase in advertiser salaries was in companies with budgets of $3MM or more.

TABLE 11

MEDIAN SALARIES (AGENCIES) BY SIZE OF AGENCIES' BILLINGS

	Number and Percent of total		Base Salary THOUSANDS	
			1986	1984
$10,000,000 and over	114	38%	$48.5	$41.3
$5,000,000 to $9,999,999	57	19%	45.2	52.8
Up to $5,000,000	131	43%	40.0	40.7
TOTAL/BASE	302	100%	$44.9	$41.6

Observations: The large increase in salaries in the larger agencies, combined with the decrease in the medium-size agencies, may indicate that the owners/managers that brought up the 1984 salaries in that group saw their agency billings increase, putting them into the $10MM and over category.

TABLE 12

ADVERTISER APPROPRIATIONS INCREASE/DECREASE—PAST 4 YEARS

	1986	1984	1982
BASE	394	510	574
Increased	54%	58%	75%
Same	22%	17%	19%
Decreased	25%	25%	6%
	*	100%	100%

*Exceeds 100% due to rounding.

TABLE 13

AGENCY BILLINGS INCREASE/DECREASE—PAST 4 YEARS

	1986	1984	1982
BASE	302	245	407
Increased	75%	75%	91%
Same	15%	14%	4%
Decreased	10%	11%	3%
	100%	100%	100%

Observations: More members are with companies (agencies or advertisers) that have increased their advertising expenditures or billings than have decreased them. (It is about the same as two years ago. However, it is a smaller proportion than in the study of four years ago.)

TABLE 14

ANTICIPATED INCREASE/DECREASE IN ADVERTISING EXPENDITURES OVER THE NEXT TWO YEARS —BY GEOGRAPHIC AREA

	TOTAL	NEW ENGL	MID. ATL.	SO. ATL.	ENC	ESC	WNC	WSC	MNTN	PAC.	CAN.
BASE	693	73	134	32	151	4	47	66	27	116	28
Increase	64%	64%	64%	66%	61%	100%	66%	48%	52%	76%	71%
Same	30%	32%	28%	34%	33%	—	30%	42%	41%	20%	25%
Decrease	6%	4%	7%	—	6%	—	4%	9%	7%	4%	4%
	100%	100%	*	100%	100%	100%	100%	*	100%	100%	100%

*Does not equal 100% due to rounding.

TABLE 15

ANTICIPATED INCREASE/DECREASE IN PERSONNEL OVER THE NEXT TWO YEARS —BY GEOGRAPHIC AREA

	TOTAL	NEW ENGL	MID. ATL.	SO. ATL.	ENC	ESC	WNC	WSC	MNTN	PAC.	CAN.
BASE	693	71	123	30	142	3	47	64	22	117	25
Increase	38%	38%	32%	47%	31%	—	45%	28%	41%	51%	36%
Same	58%	59%	64%	50%	59%	100%	55%	69%	45%	45%	60%
Decrease	5%	3%	4%	3%	10%	—	—	3%	14%	3%	4%
	*	100%	100%	100%	100%	100%	100%	100%	100%	*	100%

*Does not equal 100% due to rounding.

Observations: Generally, members are more optimistic than they are pessimistic, about their advertising budgets and about the size of their departments.

TABLE 16

MARKETS (ADVERTISERS & AGENCIES)

Metalworking/Production	10%
OEM Manufacturing/Design/ Electronics	17%
Processing/Specialized Mfg.	14%
General Manufacturing/Industry	23%
Engineering/Construction/Mining	12%
Science/Advanced Technologies/ Computers	14%
General Business/Financial	15%
Transportation	3%
Professional/Personal Services	5%
Distribution/Retailing	6%
Communications/Publishing/ Marketing	4%
Other	3%
No Answer	28%

Note: Total exceeds 100% due to multiple answers.

TABLE 17

EXPENDITURES/BILLINGS BY MEDIA CLASS

	Proportions Using in 1986		Avg. % of	Avg. % of
	Advertisers	Agencies	Adv. Budget	Agc. Billings
Spec. Bus. Pubs.	61%	59%	34%	37%
Company Catalogs	51%	41%	19%	14%
Trade Shows/Exhibit	55%	27%	13%	3%
Direct Mail	48%	47%	8%	8%
Publicity	38%	35%	5%	6%
Slides & Movies	29%	19%	3%	2%
Directories	19%	17%	2%	2%
Dealer Aids	17%	17%	2%	2%
Research	17%	17%	1%	1%
Specialty Advertising	16%	8%	1%	1%
Internal House Organs	16%	6%	1%	*
External House Organs	14%	10%	2%	1%
Video Tape	16%	10%	1%	1%
Newspapers	7%	25%	1%	6%
Consumer Magazines	6%	19%	2%	4%
Spot Radio	4%	19%	1%	3%
Spot TV	3%	16%	1%	4%
Farm Publications	3%	3%	*	1%
Network TV	2%	5%	1%	1%
Outdoor Transit	1%	9%	*	1%
Other	12%	9%	2%	2%
	**	**	100%	100%

*Less than ½ of 1%.
**Exceeds 100% due to multiple mentions.

Observations: Advertisers spend, on average, 35% of their budgets in specialized business publications; agencies 37%. Sixty-one percent of the advertisers and 59% of the agencies use at least *some* specialized business publications.

TABLE 18

CURRENT JOB DESIGNATION

	TOTAL B/PAA	ADVERTISERS	AGENCIES	PUBLISHERS
President/Owner/CEO/ Partner/Publisher	17%	1%	38%	15%
Director of Sales/VP of Sales/Sales Mgr.	4%	*	1%	10%
Marketing Director/Mgr/ VP of Marketing	7%	9%	2%	5%
Advtg./Communications Mgr./Director/VP	34%	78%	2%	4%
Acct. Supvr./Mgr./ Executive/VP/etc.	15%	2%	46%	1%
Media Director/Buyer/ VP of Media/etc.	2%	*	7%	—
Space Sales/ Dist. Mgr./Rep.	15%	—	—	61%
Other	6%	8%	3%	3%
No Answer	1%	1%	1%	1%

*Less than ½ of 1%.

TABLE 19

YEARS WITH PRESENT TITLE

	Total B/PAA		Advertisers		Agencies		Publications	
	1986	1984	1986	1984	1986	1984	1986	1984
Under 1 year	8%	11%	8%	13%	8%	9%	7%	11%
1—2 years	26%	21%	26%	19%	23%	24%	25%	19%
3—4 years	21%	25%	20%	28%	23%	21%	19%	22%
5 years or more	45%	43%	46%	40%	46%	45%	48%	48%
No Answer	*	*	—	*	1%	—	1%	—

*Less than ½ of 1%.

Observations: The differences between 1984 and the current study indicate that members are staying in their jobs for longer periods. This is a continuation of a trend that began in 1982.

TABLE 20

MEMBERS' OPERATING AREAS

	TOTAL B/PAA	ADVERTISERS	AGENCIES	PUBLISHERS
Advtg./Communications	84%	98%	92%	54%
Marketing/Mkt. Planning	48%	42%	63%	42%
Product Mgt.	6%	7%	3%	9%
Sales/Sls. Mgt.	25%	6%	9%	72%
Sales Training	14%	17%	6%	18%
Public Relations	49%	70%	50%	16%
Marketing Research	34%	36%	38%	30%
Co. Mgt./Admin.	23%	14%	36%	21%
Merchandising	16%	19%	13%	20%
Other	3%	4%	3%	3%
No Answer	1%	—	1%	2%

*Less than ½ of 1%.

Observations: As would be expected, advertising/communications is the most common area of operation for BPAA members. This is followed by public relations and marketing.

TABLE 21

MEMBERS HOLDING DEGREES

	1986	1984	1982
Master or higher	18%	16%	13%
Bachelors	66%	70%	68%
Associate/Other	14%	14%	18%
CBC Certification	26%	29%	24%

Observations: Although there is a small decline in the proportion of four-year college graduates, the ratio of advanced degrees continues to increase. CBC certification appears to have leveled off.

TABLE 22

SIZE OF DEPARTMENTS
(Advertisers)

Others in Department	1986
1 other	19%
2 others	16%
3—4 others	24%
5—7 others	19%
8—10 others	7%
11—15 others	4%
16—25 others	5%
More than 25 others	6%

BPAA Business/Professional Advertising Association

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